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 USA Capital Diversified Trust Deed Fund, LLC*

## UNITED STATES BANKRUPTCY COURT

## DISTRICT OF NEVADA

In re:  
 USA COMMERCIAL MORTGAGE COMPANY,  
 Debtor.

Case No. BK-S-06-10725 LBR  
 Case No. BK-S-06-10726 LBR  
 Case No. BK-S-06-10727 LBR  
 Case No. BK-S-06-10728 LBR  
 Case No. BK-S-06-10729 LBR

In re:  
 USA CAPITAL REALTY ADVISORS, LLC,  
 Debtor.

Chapter 11

In re:  
 USA CAPITAL DIVERSIFIED TRUST DEED  
 FUND, LLC,  
 Debtor.

Jointly Administered Under  
 Case No. BK-S-06-10725-LBR

In re:  
 USA CAPITAL FIRST TRUST DEED FUND, LLC,  
 Debtor.

**RESPONSE TO OPPOSITION BY  
 HIGHLAND CAPITAL TO MOTION  
 TO AMEND DEBTOR'S PROTOCOL  
 FOR CONTINUING  
 DISTRIBUTIONS AND INTERIM  
 HOLDBACKS**

In re:  
 USA SECURITIES, LLC,  
 Debtor.

**Hearing Date: September 13, 2006  
 Hearing Time: 9:30 a.m.**

## Affects:

- ☐ All Debtors
- ☒ USA Commercial Mortgage Company
- ☐ USA Securities, LLC
- ☐ USA Capital Realty Advisors, LLC
- ☒ USA Capital Diversified Trust Deed Fund, LLC
- ☒ USA First Trust Deed Fund, LLC

Beckley Singleton, Chtd. ("Beckley"), Nevada counsel for the Official Committee of Equity Holders of USA Capital Diversified Trust Deed Fund, LLC (the "Committee"), as appointed by the Office of the United States Trustee (the "UST"), submits its Response to Opposition by Highland Capital to Motion to Amend Debtor's Protocol For Continuing Distributions and Interim Holdbacks (the "Response"). In support of the Response, the Committee:

1. The Committee cannot silently suffer the Opposition by Highland Capital to Motion to Amend Debtor's Protocol For Continuing Distribution (the "Opposition"), which merely reiterates what all parties in interest have acknowledged with respect to distributions to the equity holders of USA Capital Diversified Trust Deed Fund, LLC ("Diversified").

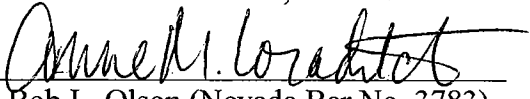
2. At the last hearings in these cases held on August 31, 2006 (the "Hearings"), counsel for the Committee, Highland Capital, and other parties in interest – together with the Court – recognized that distributions to Diversified's equity holders are prohibited due to the proof of claim filed by Highland Capital (the "Highland Capital Claim") unless and until Diversified obtains Highland Capital's consent or an order from the Court. Further, that while distributions *from* Diversified to its equity holders may not currently be possible, there is no prohibition on distributions being made *to* Diversified.

3. As also stated at the Hearings, the Committee will be filing its objection to the Highland Capital Claim.

WHEREFORE, for the foregoing reasons, the Committee respectfully requests that the Court overrule the Opposition.

Dated this 7th day of September 2006.

BECKLEY SINGLETON, CHTD.

By:   
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